

## Message Text

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17

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 SAM-01 SIL-01 FEA-02 AGR-20

CEA-02 CIAE-00 COME-00 DODE-00 EB-12 FRB-03 H-03

INR-11 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01

AID-20 CIEP-03 SS-20 STR-08 TAR-02 TRSE-00 USIA-15

PRS-01 SP-03 OMB-01 SWF-02 DRC-01 /200 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 7557

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY PRAGUE

AMEMBASSY ROME

AMEMBASSY SOFIA

AMEMBASSY THE HAGUE

USMISSION OECD PARIS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, GATT, EEC, CZ, FI

SUBJECT: EC APPROACH TOWARD CZECH/ FINNISH TRADE AGREEMENT

1. DE KERGORLAY, EC COMMISSION DEPUTY DIRECTOR FOR EXTERNAL AFFAIRS,

TOLD THE MISSION ON OCTOBER 1 THAT THE COMMISSION IS INTERESTED IN

KNOWING US VIEWS ON HOW TO TREAT THE NEW CZECH/ FINNISH FREE

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TRADE AGREEMENT IN THE GATT. THE COMMUNITY BELIEVES THAT IT IS

IMPORTANT TO HANDLE THIS ISSUE AS SLOWLY AS POSSIBLE IN THE GATT. IT DOES NOT WISH TO CAUSE TROUBLES FOR THE FINNS. ON THE OTHER HAND, IT DOES NOT WISH TO ACCEPT THE AGREEMENT AS CONSISTENT WITH THE GATT. SHOULD IT DO SO, DE KERGORLAY ANTICIPATES THAT, IN A RELATIVELY SHORT PERIOD OF TIME, THE CZECHS WOULD SUGGEST THAT THE COMMUNITY CONCLUDE A SIMILAR FREE TRADE AREA AGREEMENT WITH CZECHOSLOVAKIA. DE KERGORLAY REGARDS FREE TRADE AREA AGREEMENTS WITH THE COMMUNITIES COUNTRIES AS "NONSENSE." THE COMMUNITY WOULD NOT WISH TO CONCLUDE SUCH AN AGREEMENT AND WISHES TO BE UNDER NO PRESSURE TO DO SO.

2. DE KERGORLAY SAID THAT THE COMMISSION DOES NOT YET HAVE ANY PLAN ON HOW TO HANDLE THIS SUBJECT TACTFULLY. BECAUSE OF CZECHOSLOVAKIA'S POSITION AS A FOUNDING MEMBER OF THE GATT, IT MIGHT BE BETTER TO HAVE THE GATT CONSIDER THE FINNISH-BULGARIAN AGREEMENT BEFORE THE CZECH-FINNISH AGREEMENT. BECAUSE OF THE SPECIAL RELATION OF BULGARIA TO THE GATT IT MIGHT BE EASIER TO CLAIM THAT A FINNISH AGREEMENT WITH BULGARIA IS SUI GENERIS THAN IT WOULD BE TO MAKE A SIMILAR CLAIM ABOUT A FINNISH AGREEMENT WITH CZECHOSLOVAKIA. IF THE FIRST OF THE AGREEMENTS CAN BE PRESENTED AS "SPECIAL," IT MAY SERVE AS A PRECEDENT FOR THE TREATMENT OF OTHERS. HOWEVER, THE COMMISSION'S VIEWS ON THIS SUBJECT ARE NOT YET DECIDED. DE KERGORLAY HOPES THAT THE UNITED STATES HAS A SIMILARLY CAUTIOUS APPROACH TO THESE ISSUES.

3. COMMISSIONER GUNDELACH RAISED THE SAME PROBLEM WITH AMB. GREENWALD. HE EXPRESSED THE STRONG VIEW THAT TARIFFS HAD NO MEANING IN CENTRALLY-PLANNED, STATE TRADING COUNTRIES AND THEREFORE TRADITIONAL FREE TRADE AGREEMENTS WERE NOT APPLICABLE. HE ALSO WAS CONCERNED ABOUT CONTINUING SOVIET PRESSURES ON FINLAND FOR TRADE CONCESSIONS, SUCH AS THE PREVIOUS EXTENSION OF EC/EFTA TREATMENT TO SOVIET EXPORTS TO FINLAND. GUNDELACH ASKED WHAT THE US PLANNED TO DO ABOUT THESE DEVELOPMENTS, WHICH WOULD HURT US TRADE AND UNDERMINE GATT. GUNDELACH, WHO RECOGNIZES THAT FINLAND IS UNDER SOVIET POLITICAL PRESSURE, SUGGESTED THAT THE US MIGHT RAISE THIS ISSUE WITH THE USSR DURING FUTURE NEGOTIATIONS ON MFN. GREENWALD  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FREE TRADE AREAS, TRADE AGREEMENTS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ECBRU07660  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EUR  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 APR 2002 by boyleja>; APPROVED <05 JUL 2002 by garlanwa>  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC APPROACH TOWARD CZECH/ FINNISH TRADE AGREEMENT  
**TAGS:** ETRD, CZ, FI, US, BU, GATT, EEC, (DE KEGORLAY)  
**To:** STATE  
**Type:** TE  
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